## Message Text

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P 111820Z JUN 77 FM SECSTATE WASHDC TO USMISSION GENEVA PRIORITY

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E.O. 11652: N/A

TAGS: UNCTAD

SUBJECT: TDB MINISTERIAL

REF: GENEVA 4051

1. DEPARTMENT APPRECIATES MISSION'S THOUGHTFUL VIEWS ON ROLE OF UNCTAD IN POST-CIEC PERIOD (REFTEL) AND AGREES THAT TDB MINISTERIAL WILL BE AN IMPORTANT DECISION POINT LIMITED OFFICIAL USE

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IN DEFINING THE ORGANIZATION'S PLACE IN THE OVERALL NORTH/SOUTH INSTITUTIONAL FRAMEWORK.

2. WE HAVE NOTED IN GENEVA 4426 UNCTAD SECRETARIAT CONSIDERATION OF POSTPONEMENT OF TDB MINISTERIAL UNTIL 1978. SUCH POSTPONEMENT WOULD APPEAR TO SERVE OUR INTEREST AND MISSION SHOULD ENCOURAGE THIS DEVELOPMENT IN WHATEVER WAY

OFFERS BEST CHANCE OF REINFORCING PROSPECT OF POSTPONEMENT.

A MINISTERIAL SESSION SO SOON AFTER CIEC WOULD OFFER LITTLE
OPPORTUNITY FOR NEW PROGRESS, GIVEN MAJOR EFFORT INDUSTRIAL
COUNTRY GOVERNMENTSEXPENDED ON CIEC AND WILL NEED TO EXPEND
IN FOLLOW THROUGH ON DECISIONS REACHED AT SUMMIT AND CIEC.
PROSPECT OF G-77 DISAPPOINTMENT WOULD, THEREFORE, BE HIGH.
EARLY UNCTAD/TDB MINISTERIAL AND COINCIDENCE OF MINISTERIAL
WITH UNGA WOULD INCREASE POTENTIAL FOR JURISDICTIONAL
WRANGLES AT TDB. WE WOULD PROBABLY BE IN A BETTER POSITION

IN 1978 FOR A TDB MINISTERIAL DISCUSSION OF THE POST-CIEC ROLE OF UNCTAD. AT THAT POINT, HOPEFULLY, PROGRESS IN MTN ON TRADE ISSUES, IMF AND JOINT DEVELOPMENT COMMITTEE ON FINANCE CUM DEBT ISSUES, INDIVIDUAL UNCTAD COMMODITY NEGOTIATIONS AND COMMON FUND TALKS WOULD HAVE EFFECTIVELY LODGED MANY ISSUES WE WISH TO RESIDE IN FUNCTIONALLY-SPECIFIC FORUMS IN JUST SUCH FORUMS.

- 3. LATER MINISTERIAL MAY BE AN AUSPICIOUS OPPORTUNITY TO CLARIFY UNCTAD'S WORK IN RELATION TO OTHER FUNCTIONAL FORA, SUCH AS THE JOINT DEVELOPMENT COMMITTEE, THE IMF, GATT, ETC. ALTERNATIVELY--AND THIS IS A REAL DANGER--A PREMATURE MINISTERIAL WOULD BECOME A VEHICLE FOR EXPANDING UNCTAD'S LIMITED MANDATES IN AREAS SUCH AS MONETARY AFFAIRS, DEBT AND OFFICIAL TRANSFERS WHICH WE WOULD LIKE TO SEE HANDLED ELSEWHERE.
- 4. GIVEN THE CIEC BACKGROUND, AND UNCTAD'S AMBITIONS TO ENHANCE ITS ROLE IN ALL NORTH/SOUTH ISSUES, IT SEEMS TO LIMITED OFFICIAL USE

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US THAT OUR PRIMARY OBJECTIVE AT THE MINISTERIAL SHOULD BE TO AFFIRM IN A POSITIVE SPIRIT AREAS WHERE UNCTAD CAN PLAY A USEFUL ROLE WITHOUT PREJUDGING CONSIDERATION OF THE PARTICULAR SENSITIVE MONETARY AND OTHERS ISSUES WE WISH TO TAKE UP IN MORE APPROPRIATE FORA.

5. WHAT WE HAVE IN MIND IS NOT A DEBATE ON THE INSTITUTIONAL FRAMEWORK OF THE NORTH/SOUTH DIALOGUE AFTER CIEC, BUT A MINISTERIAL AGENDA--DEFINED AS SPECIFICALLY AS POSSIBLE--WHICH WOULD SERVE TO STRUCTURE UNCTAD'S WORK IN THE INTERIM BEFORE THE 5TH CONFERENCE. IN YOUR B GROUP CONSULTATIONS JUNE 13-17 WE SUGGEST YOU FIRST ASSESS THE PROSPECT FOR POSTPONEMENT AND WHAT CAN BE DONE TO ENCOURAGE THIS. SHOULD A FALL TOB MINISTERIAL NEVERTHELESS APPEAR LIKELY WE SUGGEST THE FOLLOWING OUTLINE OF A MINISTERIAL AGENDA IN KEEPING WITH THE PRINCIPLE IN RESOLUTION 90(IV) THAT THE MINISTERIAL SHOULD FOCUS ON A NUMBER OF IMPORTANT POLICY AREAS AND NOT EXCLUSIVELY ON DEBT OR RELATED QUESTIONS.

(A) A REVIEW OF UNCTAD'S WORK SINCE NAIROBI IN TECHNOLOGY, MANUFACTURERS, AND COMMODITIES AND A REAFFIRMATION OF ITS MANDATE IN THESE TRADITIONAL AREAS. IN SUGGESTING THIS TOPIC, WE DO NOT INTEND A FULL SCALE SUBSTANTIVE DEBATE, ALTHOUGH WE RECOGNIZE THE RISKS THAT THE G-77 WILL WANT TO USE THIS ITEM TO RENEW PRESSURES FOR CONCESSIONS. TO MINIMIZE THIS RISK, WE WOULD NEED TO MAKE VERY CLEAR THAT DISCUSSION OF THESE TOPICS SHOULD BE LIMITED TO A NEUTRAL PROGRESS REPORT BY THE SECRETARIAT OF WHERE MATTERS NOW STAND AND OF WHAT REMAINS TO BE DONE AND THAT THE

SECRETARIAT SHOULD KEEP CLEARLY IN MIND THE JURISDICTIONS OF OTHER ORGANIZATIONS (E.G. GATT/MTN, WIPO). WE WOULD OPPOSE FOR EXAMPLE ANY DISCUSSION ON A COMMON FUND AT THE MINISTERIAL, SINCE A FULL SCALE NEGOTIATING CONFERENCE ON THIS SUBJECT IS SCHEDULED IN UNCTAD FOR NOVEMBER. LIMITED OFFICIAL USE

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DISCUSSION SHOULD BE LIMITED TO A REVIEW OF PROGRESS ON SPECIFIC COMMODITY NEGOTIATIONS.

(B) IN KEEPING WITH UNCTAD RESOLUTION 98 (IV) AND TDB DECISION 149 (SVI), A GENERAL REVIEW OF THE FINANCIAL AND DEVELOPMENTAL SITUATIONS OF THE LEAST DEVELOPED AND OF MEASURES BEING TAKEN BY DONORS TO ENHANCE ASSISTANCE TO THESE COUNTRIES. WE RECOGNIZE THAT THIS RESOLUTION MENTIONS INTER ALIA DEBT OF THE LEAST DEVELOPED BUT HOPE THAT THIS ASPECT WILL BE DOWN PLAYED TO THE MAXIMUM EXTENT POSSIBLE IN THE CONTEXT OF THE ENTIRE RANGE OF LDC ISSUES. THEREFORE, WE SHOULD STRONGLY OPPOSE ANY ATTEMPT TO NEGOTIATE USE OF DEBT RELIEF AS A FORM OF RESOURCE TRANSFER. FOR REASONS STATED BY A MAJORITY OF B GROUP AT THE 16TH SESSION OF THE TDB, OCTOBER 1976, WE CONSIDER ANY OBLIGATIONS REGARDING LLDC DEBT PURSUANT TO RESOLUTION 98 (IV) TO

HAVE BEEN SATISFIED FULLY AND WOULD OPPOSE ANY EFFORTS TO MAKE LLDC DEBT A SEPARATE AGENDA ITEM.

(C) A REVIEW OF THE ACTIONS TAKEN IN ACCORDANCE WITH RESOLUTION 94 (IV) SPECIFICALLY AND EXCLUSIVELY PARA TWO WHICH STATES "INVITES APPROPRIATE EXISTING INTERNATIONAL FORA TO DETERMINE BEFORE THE END OF 1976, W;AT FEATURES MIGHT USEFULLY BE DISCERNED FROM PAST OPERATIONS, TOGETHER WITH OTHERS THAT MIGHT BE IDENTIFIED IN THE LIGHT OF THE PRESENT SITUATION OF THE LEAST DEVELOPED COUNTRIES, THE MOST SERIOUSLY AFFECTED DEVELOPING COUNTRIES AND OTHER COUNTRIES IN NEED WHICH COULD PROVIDE GUIDANCE IN FUTURE OPERATIONS RELATING TO DEBT PROBLEMS

AS A BASIS FOR DEALING FLEXIBLY WITH INDIVIDUAL CASES." IT IS OUR FIRM UNDERSTANDING THAT THIS IS THE ONLY ASPECT OF DEBT TO BE SEPARATELY CONSIDERED AT THE MINISTERIAL. THIS POSITION IS CONSISTENT WITH THE NARROW MANDATE IN 94 (IV); IT IS OF PRIMARY IMPORTANCE LIMITED OFFICIAL USE

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THAT THE AGENDA REFLECT THIS STRICT INTERPRETATION.

- 5. IN THE LIGHT OF THE FAILURE TO AGREE AT CIEC ON A CONTINUATION OF THE ENERGY DIALOGUE, WE ARE NOW ASSESSING WHETHER, AND IF SO, WHEN, HOW, AND WHERE TO MAKE NEW EFFORTS TOWARD THIS OBJECTIVE. THIS ASSESSMENT WILL ALSO COVER THE QUESTION OF WHICH EXISTING FORUM WOULD BE BEST SUITED FOR CONTINUATION OF THE ONGOING ENERGY DIALOGUE. WE WILL BE DISCUSSING THESE QUESTIONS IN THE IEA GOVERNING BOARD LATER THIS MONTH AS WELL AS BILATERALLY WITH THE PRINCIPAL G-8 MEMBERS. UNDER THE CIRCUMSTANCES, WE BELIEVE IT WOULD BE PREMATURE TO DECIDE NOW WHETHER TO INCLUDE AN ITEM ON ENERGY IN TDB MINISTERIAL. WE WOULD, HOWEVER, BE INTERESTED IN ANY VIEWS FROM OTHER GROUP B COUNTRIES WHICH THE DELEGATION MIGHT PICK UP IN THE COURSE OF THE JUNE CONSULTATIONS.
- 6. WITH REGARD TO THE POSSIBILITY OF POSTPONEMENT OF MINISTERIAL PER GENEVA 4426, YOU MAY INDICATE THAT WE WOULD HAVE NO PROBLEM WITH SUCH A DECISION. A RESCHEDULED MINISTERIAL WHICH WOULD FOCUS INTER ALIA ON UNCTAD V PREPARATIONS WOULD REQUIRE A BROAD AGENDA AS WE OUTLINED ABOVE. WE ASSUME IN THIS CASE THAT JULY DEBT EXPERTS MEETING ALSO WOULD BE RESCHEDULED AS WELL AS IMMEDIATELY PRECEDING EXPERTS MEETING ON "INTERDEPENDENCE OF TRADE, DEVELOPMENT FINANCE AND MONETARY ARRANGEMENTS" WHICH APPEARS RELATED TO DEBT MEETING. HOWEVER, YOU SHOULD SEEK TO HAVE NEW TIMING OF BOTH REPEAT BOTH MEETINGS MADE SUBJECT TO CONSULTATIONS WITH GROUP, AS WE MAY WISH TO COMMENT ON NEED FOR EXPERTS MEETING ON INTERDEPENDENCE. VANCE

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